

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Investigation pursuant to Senate Bill 380 to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon natural gas storage facility located in the County of Los Angeles while still maintaining energy and electric reliability for the region.

Investigation 17-02-002
(Filed February 9, 2017)

**OPENING COMMENTS OF SIERRA CLUB ON PROPOSED DECISION AND
ALTERNATE PROPOSED DECISION**

Matthew Vespa
Sara Gersen
Earthjustice
50 California Street, Suite 500
San Francisco, CA 94111
Telephone: (415) 217-2123
Email: mvespa@earthjustice.org
sgersen@earthjustice.org

Attorneys for Sierra Club

Dated: October 21, 2021

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Pursuant to Rule 14.3 of the California Public Utilities Commission’s Rules of Practice and Procedure, Sierra Club timely submits the following opening comments on the proposed decision of Administrative Law Judge Zhang, *Decision Setting the Interim Range of Aliso Canyon Storage Capacity at Zero to 68.6 Billion Cubic Feet* (“PD”)¹ and the alternate proposed decision of Commissioner Guzman Aceves, *Decision Setting the Interim Range of Aliso Canyon Storage Capacity at Zero to 41.16 Billion Cubic Feet* (“APD”).² Both the PD and APD were issued October 1, 2021.

Introduction

Six years have passed since a failure at the Aliso Canyon gas storage facility caused the worst methane disaster in United States history.³ More than four and a half years have passed since this Commission opened this proceeding to fulfill its statutory mandate to “determine the feasibility of minimizing or eliminating” reliance on the facility for Southern California’s energy

¹ Decision Setting the Interim Range of Aliso Canyon Storage Capacity at Zero to 68.6 Billion Cubic Feet (Oct. 1, 2021) (“PD”).

² Decision Setting the Interim Range of Aliso Canyon Storage Capacity at Zero to 41.16 Billion Cubic Feet (Oct 1, 2019) (“APD”).

³ Matt McGrath, *California methane leak ‘largest in US history’*, BBC (Feb. 26, 2016), <https://www.bbc.com/news/science-environment-35659947>.

and electric reliability.⁴ It has long been clear that reducing the region’s demand for gas will be key to shutting down this facility without risking unintended consequences. In his July 2017 letter to Commission President Picker, California Energy Commission Chair Robert Weisenmiller recommended “decisive actions now” to enable the closure of the Aliso Canyon facility.⁵ He explained “the recommendation to close the facility is not one that I take lightly or without thoughtful consideration. However, I am confident that through sustained investments in renewable energy, energy efficiency, electric storage technologies and other strategies, we can make this transition a reality.”⁶ Targeted investments in clean technologies to replace the facility’s role in the region’s energy system have still not begun. They have not even been planned or authorized. As a consequence of its own failure to mitigate gas demand in Southern California, the Commission now considers increasing the storage capacity of Aliso Canyon to meet the region’s energy needs this winter.

Argument: The APD considers key factors that the PD does not account for.

The APD recommends a lower interim storage level at the Aliso Canyon facility than the PD because it analyzes an important issue that the PD ignores. Specifically, the APD shows that outages on Southern California Gas Company’s (“SoCalGas” or “the Company”) transmission system likely prevent the Company from storing more than 41.16 billion cubic feet of gas (“Bcf”) at Aliso Canyon this winter even if the Commission approved a higher interim storage level.⁷ In a decision that purports to address near-term reliability needs, it would be irresponsible for the Commission to give SoCalGas leeway to use Aliso Canyon to an even greater extent than is feasible this winter. As a practical matter, this approach would only allow

⁴ Public Utilities Code Section 714.

⁵ Letter from CEC Chair Robert Weisenmiller to Commission President Michael Picker (July 19, 2017).

⁶ *Id.*

⁷ APD at 14–15.

SoCalGas to reach the maximum inventory levels at Aliso Canyon in future seasons, when doing so may be neither necessary for reliability or advisable for reasonable rates. The PD's decision to double the permissible storage capacity at Aliso Canyon rests on the unstated and unfounded assumption that SoCalGas could actually rely on this increased inventory to "address the immediate needs of the upcoming winter season."⁸ The APD's consideration of the facts on the ground shows that this assumption is not justified.

In addition, the APD acknowledges that it "in no way affects the Commission's ability to determine which resources are necessary to replace Aliso Canyon, and to order the procurement of those resources."⁹ The Commission should adopt this language and confirm that the decision on interim storage levels does not detract from the urgent task of choosing alternatives to Aliso Canyon.¹⁰ After so many years without progress, the Commission must begin serious investments in ending reliance on Aliso Canyon as soon as possible.

Conclusion

The Commission should approve the APD. While the APD represents a reasonable near-term approach, the Commission should avoid any further delay in planning for the closure of the Aliso Canyon facility. Thank you for your consideration of these comments.

Dated: October 21, 2021

Respectfully submitted,

/s/ Matthew Vespa
Matthew Vespa
Sara Gersen
Earthjustice
50 California Street, Suite 500
San Francisco, CA 94111
Telephone: (415) 217-2123

⁸ PD at 14.

⁹ APD at 18.

¹⁰ *Id.* at 2, 14.

Email: mvespa@earthjustice.org
sgersen@earthjustice.org

Attorneys for Sierra Club